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that they gave their countenance to a plan which was designed to despoil New England of her settlers for the benefit of their colony in the Caribbean.

Mr. Newton has developed other points as well which deserve more attention than space will allow. He has, for instance, made some valuable additions to our knowledge of the extra-parliamentary career of John Pym; he has disclosed the foundation of fact upon which the old story of a projected migration of the Puritan leaders to New England probably rests; he has contributed fresh information to the subject of the Puritan attitude toward negro slavery. But all these must be dismissed with mere mention.

The book as a whole is gracefully and carefully written. It is refreshingly free from the political and religious bias which so often disfigures historical studies upon the period with which it deals. To the economist it will appear, perhaps, that Mr. Newton has underestimated the importance of the economic factors involved in Puritan colonization. But no one will question the value of his contribution to the political and religious history of the early seventeenth century both in America and in England.

UNIVERSITY OF CHICAGO

CONYERS READ

Where and Why Public Ownership Has Failed. By YVES GUYOT.

Translated by H. F. BAKER. New York: Macmillan, 1914.

8vo, pp. ix+459. \$1.50.

By far the most effective method of testing the feasibility of any program is to study its results. Facts, when correctly presented, are controvertible only in their interpretation. M. Guyot has in this book made a speciality of facts relative to public ownership in its innumerable forms in the different European countries and in New Zealand. Vigorous though the book is in the presentation, yet perhaps somewhat biased in the interpretation of these facts, its chief fault is its fragmentary nature. The author continually shifts from one enterprise to another, seemingly unmindful of varying conditions, making it difficult to follow him in what many times seem to be hasty generalizations to bear out a premise.

The purpose of the book is unmistakably expressed in its title. Guyot's conclusion is his fortress, and this work is manifestly presented as an arsenal of facts in defense of it. His philosophico-economic bases are interesting though debatable. He assumes three mainsprings of all

human action, namely: compulsion, bribery, and instinct for personal gain. This last mainspring is the most natural and desirable stimulus in economic activities and is fundamentally necessary with all modern conditions of labor, contract, and entrepreneurship. For it, however, government ownership would substitute compulsion and bribery as stimuli of service; would destroy personal interest and responsibility, so necessary to the financial success of any business; and would render economic undertakings subject only to political expediency.

Book I treats of public and private trading operations, and in Books II, III, and IV three aspects of government ownership are considered: its financial results, its administrative results, and lastly its political and social consequences. Book II, on the financial results of public ownership, is probably the most important. A heterogeneous list of chapters (twenty-five in number) is here included, treating this phase of most of the public enterprises of European countries. Universal experience has proved, thinks the author, that, whatever a state undertakes in the economic field, it does so at a higher cost than would private enterprise. The results of government management of railways, fiscal monopolies, public utilities, and housing of working classes are shown to be as a rule disastrous to public finances. Profits are usually exaggerated, book-keeping practices are unscientific and even corrupt, and political domination and manipulation are rife. Political expediency is the watchword in all policies of administration. Private enterprises are taken over by governments, not for the purpose of giving better service, but to satiate various political groups. The French government assumed control of the Western Railways as a campaign trump and a sop to the Socialists. This motive and the desire of governing bodies to secure funds without burdensome taxation have been the chief causes of government encroachment into enterprises which should be privately owned.

Government railways are in every way inferior to privately owned systems. Their accounts are always in a deplorable condition, proper allowance is not made for amortization, and costs of construction are unreasonably high. Rates are many times exorbitant as compared with those of private lines, discriminations of the worst sort exist, for all of which passengers and shippers are made to suffer. In many cases, notably with the German roads, operating expenses do not include capital charges on the railway debt, which, if included, would cut in two the alleged profits. Expenses of operation of the state lines are increasing in much greater proportion than those of the private companies; their operating ratios vary from 68.6 per cent in Prussia to 80.6 per

cent in Hungary and 91 per cent in France, while those of the private companies of France are about 56 per cent and of England 55 per cent. This high operating cost of government lines is due partly to the excessive number of employees, whose chief occupation is not to render efficient service but to devise means of increasing their pay and shortening their hours of labor. Only the railways of Prussia have brought in revenue to the state, while those of Austria, France, Switzerland, and Italy have been public burdens.

Public (municipal) housing has had no better success. It has been so administered both in London and on the Continent that almost as many people have been dislodged by its effects as have been housed. Government fiscal monopolies have also been miserably managed. As well as in many cases not being financially beneficial to the state, they have become involved in current political corruptions and their regulation has been a failure, since it is absolutely impossible for legislative bodies to interfere successfully in trading operations carried on by the state. Consumers of products controlled by such monopolies pay exceedingly high prices and the "profits" are little more than the return to extortion.

The administrative results of government ownership have been no more satisfactory. The boasted principle of "service for the sake of service" has not succeeded in actual practice. Private railways, for instance, are superior to government lines in providing for the safety and convenience of passengers; the private telephone lines of New York City have a standard of service far above that of the public systems of Paris. The entrance of the state into economic enterprises naturally renders its political duties more difficult to execute. The most disastrous of any of the administrative results has been the effect of government operation upon labor. Efficiency has been greatly impaired, a sort of "laborophobia" has developed, and government enterprises are literally controlled by the laborers. Continuous changes in political offices prevent location of responsibility for mismanagement, and the chief occupation of administrative officials is to evade, and thus preserve political peace. The government may be a "model employer" from the laborer's point of view, but it is such at the expense of the taxpayer and consumer.

The political and social consequences of government ownership are demonstrated by the present moral standards of government administration. That political ideal of the Socialists, "the end in view," has been excessively applied and made to atone for countless dishonest practices. Economic Machiavellianism is ever the financial policy of

the state. The intrusion of the government into private undertakings without doubt increases the opportunities for corruption, and in public enterprises the opportunity is the only requisite for the condition.

Thus the time-worn argument of the Socialists, that we "ought to" get better and cheaper service through government ownership of industries, is overcome by relentless facts of actual experience. Operation and regulation are two distinctly different activities and should be carried on by distinctly separate bodies. The latter only is the function of the state.

The enthusiastic, rapid-fire style of the author increases (or at least sustains) interest in his theme, but the chief difficulty of the book is that the number and diversity of the topics discussed render a thorough presentation of any of them difficult. Guyot at times unquestionably draws unwarranted conclusions from incomplete facts. The various chapters are very loosely connected and it is almost impossible to trace throughout any general principles which might bind them together. The book is at times more polemical than scientific, but its chief value, it seems, is not that the reader is convinced of the soundness of the author's argument, but that it may serve as a sort of a safety-check upon the enthusiast of government ownership. It at least demonstrates that the last word upon the problem has not yet been spoken, that many of the plausible-sounding arguments advanced in favor of government ownership are not yet conclusively proved. It should provide interesting controversial data for the opponent of public ownership and may be summed up as stimulating rather than scientifically exact. Its actual positive effect in preventing further government activity in the economic field will doubtless be insignificant, but it may be of value in pointing out some of the prime weaknesses of government ownership and administration.

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American Railroad Economics. By A. M. SAKOLSKI. New York: Macmillan, 1913. 12mo, pp. 295. \$1.25 net.

This publication is a textbook for investors and students of railway affairs and is designed particularly as a guide for the proper study and interpretation of a railroad annual report. The author is a staff lecturer in the New York University School of Commerce, Accounts, and Finance. His book is the product of his activities, both as an investment analyst in New York and as a lecturer on transportation economics.